

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,
Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO (“ERS”),

Debtor.

PROMESA

Title III

Case No. 17 BK 3566-LTS

RE: ECF No. 278

**Because of the nature of the relief
requested herein, this Response shall
be filed in the Title III cases for each
of the Debtors.**

ASOCIACIÓN DE EMPLOEADOS DEL ESTADO
LIBRE ASOCIADO,

Movant.

v.

¹ The debtors in the jointly-administered Title III cases (collectively, the “Debtors”), along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481) (the “Commonwealth”); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO,

Respondent.

**DEBTORS' RESPONSE TO
(I) MOTION FOR EXTENSION OF BAR DATE TO FILE PROOFS OF CLAIM
AND (II) RESPONSE OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) and each of the other Debtors, by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully submit this response (the “Response”) to (i) the *Motion for Extension of Bar Date to File Proofs of Claim* [Case No. 17-3566, ECF No. 278] (the “Motion”), filed by the Asociación de Empleados del Estado Libre Asociado (“AEELA”), and (ii) the *Response of the Official Committee of Unsecured Creditors to Motion of Asociacion de Empleados Del Estado Libre Asociado for Extension of Bar Date to File Proofs of Claim and Request to Make Any Relief Granted Applicable to Creditors of All Debtors* [Case No. 17-3566, ECF No. 280] (the “UCC Response”), filed by the Official Committee of Unsecured Creditors (the “UCC”), and respectfully represent as follows:

² PROMESA has been codified in 48 U.S.C. §§ 2101-2241.

Response

1. AEELA seeks to extend the Court-ordered May 29, 2018 claims bar date in ERS's case (the "Bar Date") to allow solely members of AEELA, a public employee credit union, to file proofs of claim against ERS (and no other Debtor) through June 15, 2018. On May 24, 2018, the UCC filed the UCC Response requesting that, if the Court were to grant the relief requested in the Motion, it should extend the Bar Date by thirty (30) days for all creditors. The Debtors have reviewed the concerns raised in the Motion and the UCC Response by AEELA and the UCC, respectively. Although the Debtors believe that any claims AEELA's members would have against ERS are probably claims for pension and other post-retirement benefits that are exempt from filing a proof of claim under the provisions of the Bar Date Order,³ the Debtors are amenable to the general extension as requested by the UCC through June 29, 2018 (the "Extended Bar Date") in the interest of further assisting the people and businesses of Puerto Rico. In this regard, and if the Court accepts the Extended Bar Date, the Debtors shall maintain the proof of claim drop off locations currently established, within the feasibility of doing so on short notice, through the Extended Bar Date, and will endeavor, as soon as practicable, to publish notice of the extension in the same publications as specified in the Bar Date Order, and broadcast radio announcements of the extension on the same radio stations as specified in the Bar Date Order.

2. The Debtors request that the Court enter the proposed order attached hereto as **Exhibit A** to memorialize the foregoing. Because of the need to provide notice as soon as possible and to extend the leases for collection locations, the Debtors request that such order be entered as soon as possible.

³ Order (A) Establishing Deadlines and Procedures for Filing Proofs of Claim and (B) Approving Form and Manner of Notice Thereof [Case No. 17-3283, ECF No. 2521] (the "Bar Date Order"), sec. 6(f).

3. In consenting to this extension, (i) neither ERS nor any of the other Debtors waive any arguments, rights, or defenses with respect to any further requests to extend the Extended Bar Date or to seek allowance of claims filed after the Extended Bar Date; and (ii) the Debtors' position in this Response shall not be deemed or construed as creating or conferring any right upon any persons or entities, or evidence of any willingness or obligation on the Debtors' part to consent to any other or future modifications of or relief from the Bar Date or the Extended Bar Date, as the case may be.

Dated: May 25, 2018
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

Case No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.*

(Jointly Administered)

Debtors.¹

RE: ECF No. _____

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**ORDER (A) EXTENDING DEADLINES FOR FILING PROOFS OF
CLAIM AND (B) APPROVING FORM AND MANNER OF NOTICE THEREOF**

Upon the *Debtors' Response to (I) Motion for Extension of Bar Date to File Proofs of Claim and (II) Response of Official Committee of Unsecured Creditors* (the "Debtors' Response");² and the Court having found it has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a); and it appearing that venue in this district is proper pursuant to PROMESA section 307(a); and the Court having found that the relief requested in the Debtors' Response is in the best interests of the Debtors, their creditors, and other parties in interest; and the Court having found that, based upon the relief requested in the Debtors' Response, no further notice is required; and the Court having reviewed the Debtors' Response;

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Debtors' Response.

and the Court having determined that the legal and factual bases set forth in the Debtors' Response establish just cause for the relief granted herein; and any objections to the relief requested herein having been resolved as set forth herein, or withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. In light of the Debtors' Response, the *Motion for Extension of Bar Date to File Proofs of Claim* [Case No. 17-3566, ECF No. 278] and the *Response of the Official Committee of Unsecured Creditors to Motion of Asociacion de Empleados Del Estado Libre Asociado for Extension of Bar Date to File Proofs of Claim and Request to Make Any Relief Granted Applicable to Creditors of All Debtors* [Case No. 17-3566, ECF No. 280], and the relief requested therein, are rendered moot.

2. The General Bar Date, as defined in and set forth in the *Order (A) Establishing Deadlines and Procedures for Filing Proofs of Claim and (B) Approving Form and Manner of Notice Thereof* [Case No. 17-3283, ECF No. 2521] shall be extended to **4:00 p.m. (Atlantic Standard Time on June 29, 2018** (the "Extended Bar Date").

3. In accordance with Bankruptcy Rule 2002, the Debtors, through Prime Clerk are authorized and directed to cause a copy of a notice, substantially in the form attached hereto as Attachment 1, to be published once, as soon as practicable under the circumstances after the entry of this Order, in (a) *El Nuevo Día* in Spanish (primary circulation is in Puerto Rico), (b) *Caribbean Business* in English (primary circulation is in Puerto Rico), (c) *El Diario* and *El Nuevo Herald*, both in Spanish (primary circulation is in New York and Miami, respectively), and (d) *The Bond Buyer*.

4. The Debtors, through Prime Clerk, are authorized and directed to cause no less than fourteen radio advertisements, alerting listeners of the Extended Bar Date, to be aired as soon as practicable under the circumstances following the entry of this Order for a seven-day period, on (a) WMEG FM (contemporary hit radio) in Spanish and (b) WKAQ AM (Spanish language talk radio) in Spanish.

5. Nothing herein is intended to, shall constitute, or shall be deemed to constitute the Debtors' or the Oversight Board's consent, pursuant to PROMESA section 305, to this Court's interference with (a) any of the political or governmental powers of the Debtors, (b) any of the property or revenues of the Debtors, or (c) the use or enjoyment of the Debtors of any income-producing property.

6. Notwithstanding any applicability of any Bankruptcy Rule, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The Debtors and the Oversight Board, as the Debtors' representative, have consented to the relief in this Order, and are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this Order, including, without limitation, in connection with re-leasing of the collection centers.

8. The Court retains exclusive jurisdiction to hear and determine any and all disputes related to or arising from the implementation, interpretation and enforcement of this Order.

Dated: _____, 2018

Honorable Laura Taylor Swain
United States District Judge

Attachment 1

Form of Publication Notice

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.

PROMESA
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

FORM OF PUBLICATION
NOTICE OF EXTENDED DEADLINES FOR FILING PROOFS OF CLAIM

DEADLINE EXTENSION

**TO ALL CREDITORS OF THE DEBTORS, AND TO OTHER PARTIES IN INTEREST,
PLEASE TAKE NOTICE OF THE FOLLOWING:**

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) has filed voluntary petitions under section 304(a) of *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),⁶ initiating Title III cases under PROMESA (each, a “Title III Case” and collectively, the “Title III Cases”) for the debtors listed below (each, a “Debtor” and collectively, the “Debtors”). **You may be a creditor of one of the Debtors, and you may be required to file a proof of claim** (“Proof of Claim”).

The deadline to file a proof of claim has been extended to June 29, 2018 at 4:00 p.m. (Atlantic Time).

If you have already filed a Proof of Claim, no further action is required unless directed by court order, notice, or otherwise.

A list of the names of the Debtors, their case numbers, and the commencement date of the Debtors’ Title III Cases is as follows:

Title III Cases	Federal Tax ID No.	Case No.	Commencement Date
Commonwealth of Puerto Rico	3481	17 BK 3283	May 3, 2017
Puerto Rico Sales Tax Financing Corporation (“ <u>COFINA</u> ”)	8474	17 BK 3284	May 5, 2017

⁶ PROMESA is codified at 48 U.S.C. §§ 2101-2241.

Title III Cases	Federal Tax ID No.	Case No.	Commencement Date
Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”)	9686	17 BK 3566	May 21, 2017
Puerto Rico Highways and Transportation Authority (“HTA”)	3808	17 BK 3567	May 21, 2017
Puerto Rico Electric Power Authority (“PREPA”)	3747	17 BK 4780	July 2, 2017

Key Points

- In a Title III proceeding under PROMESA, creditors may be required to file claim forms stating the amount of money owed to them as of the day the Title III proceeding was filed. This document explains how to file claims.
- **Many creditors in the Title III Cases are not required to file a claim.** For more information, please refer to Claims Agent’s website at <https://cases.primeclerk.com/puertorico/>, call the Claims Agent at (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers), available 10:00 a.m. to 7:00 p.m. (Atlantic Standard Time) (Spanish available), or email at puertoricoinfo@primeclerk.com.
- **If you are not required to file a claim, you do not need to complete and return a claim form**, and you will still keep your rights to vote on a plan of adjustment and receive payments under the plan. A plan of adjustment is a document that explains how a Debtor proposes to pay the amounts it owes to its creditors. Once filed, this plan will be available for creditors to review. Who gets to vote on the plan will be determined at a later date. The amount you may receive under the plan also will be determined later.
- **If you are required to file a claim against any of the Debtors**, the deadline to do so has been extended to **June 29, 2018 at 4:00 p.m., Atlantic Standard Time**. To obtain a form that you may use to file your claim, refer to the contact information below.
- Claims may be filed by (a) electronically filing on the Claims Agent’s website at <https://cases.primeclerk.com/puertorico/EPOC-Index>, or (b) mail or hand delivery to the addresses provided in Section 6 of this document.

After reading this notice, if you require additional information, you may contact the Claims Agent at (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers), available 10:00 a.m. to 7:00 p.m. (Atlantic Standard Time) (Spanish available), or by email at puertoricoinfo@primeclerk.com. Please note that the people answering the phone number are not able to provide legal advice. If you have questions about your legal rights, including whether you need to file a claim, you should talk to an attorney.